

House Bill 1022

By: Representatives Lunsford of the 110<sup>th</sup>, Loudermilk of the 14<sup>th</sup>, Stephens of the 164<sup>th</sup>,  
Martin of the 47<sup>th</sup>, and Harbin of the 118<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

To amend Title 36 of the Official Code of Georgia Annotated, relating to local government, so as to provide for comprehensive regulation of local government equipment financing; to provide for a short title; to provide for legislative purposes; to provide for definitions; to create the Local Government Equipment Financing Authority and the County Equipment Financing Authority; to provide for members, qualifications, officers, meetings, and procedures; to provide for powers, duties, and authority of each authority; to provide for procedures, conditions, and limitations; to provide for certain bonds, notes, certificates, bond anticipation notes, and other evidences of indebtedness; to provide for nonapplicability of certain general laws; to provide for certain tax exempt status of each authority, each authority's property, and each authority's activities; to provide for cumulative effect of the foregoing; to provide for liberal construction of the foregoing; to change certain provisions regarding participation in certain qualified interest rate agreements; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended by adding a new chapter to read as follows:

"CHAPTER 93

ARTICLE 1

36-93-1.

This article shall be known and may be cited as the 'Local Government Equipment Financing Authority Act.'

36-93-2.

The purpose of this article shall be to provide a mechanism through which local governments may lease or purchase on an installment basis equipment at lower than prevailing costs and to make this mechanism available to the largest number of local governments feasible.

36-93-3.

As used in this article, the term:

(1) 'Authority' means the Local Government Equipment Financing Authority created by this article and any successor or successors thereto. Any change in name or composition of the authority shall in no way affect the vested rights of any person under this article.

(2) 'Bond' or 'bonds' means revenue bonds, notes, interim certificates, bond anticipation notes, and other evidences of indebtedness of the authority issued under this article.

(3) 'Cost' as applied to equipment financed under this article includes:

(A) The cost and the incidental and related costs of the acquisition, repair, restoration, reconditioning, refinancing, or installation of equipment;

(B) The cost of any property interest in equipment, including an option to purchase a leasehold interest;

(C) The cost of architectural, engineering, legal, trustee, underwriting, and related services; the cost of the preparation of plans, specifications, studies, surveys, and estimates of cost; and all other expenses necessary or incident to planning, providing, or determining the need for or the feasibility and practicability of equipment;

(D) The cost of financing charges, including premiums or prepayment penalties and interest, accrued before the acquisition and installation or refinancing of such equipment and for up to three years after such acquisition and installation or refinancing;

(E) The costs paid or incurred in connection with the financing of equipment, including out-of-pocket expenses, the cost of any policy of insurance or other credit enhancement, the cost of printing, engraving, and reproduction services, and the cost of the initial or acceptance fee of any trustee or paying agent;

(F) The costs of the authority incurred in connection with providing equipment, including reasonable sums to reimburse the authority for time spent by its agents or employees in providing and financing equipment; and

(G) The costs paid or incurred for the administration of any program for the financing or refinancing of equipment by the authority and any program for the installment sale or lease of equipment to any participating local government.

(4) 'Equipment' means any fixture or personal property that is determined by the authority to be necessary or desirable for the efficient operation of any participating local government, regardless of whether such property is in existence at the time of, or is to be provided after the making of, such finding.

(5) 'Participating local government' means a municipality, consolidated government, school district, or other political subdivision that contracts under this article with the authority for the installment purchase or lease of equipment.

36-93-4.

(a) There is created, with such duties and powers as are set forth in this article, a public body corporate and politic, not a state agency but an instrumentality of purely public charity performing an essential governmental function, to be known as the Local Government Equipment Financing Authority. The authority shall be exempt from the provisions of Article 2 of Chapter 17 of Title 50 and Code Sections 45-15-13 through 45-15-16.

(b) The authority shall be governed by five initial members who shall be the same persons who are municipal elected officials serving as members of the board of trustees of a municipal interlocal risk management agency formed and operational prior to January 1, 2009, pursuant to Code Section 36-85-3. Two of the trustees shall serve a term as a member of the authority expiring January 1, 2011; two of the trustees shall serve a term as a member of the authority expiring January 1, 2012; and one of the trustees shall serve a term as a member of the authority expiring January 1, 2013, as determined by the board of trustees. After the conclusion of each initial term, each member of the authority shall be appointed for a four-year term, and vacancies in office shall be filled by a majority vote of the remaining members of the authority. The authority may adopt and amend bylaws governing the procedures and internal operations of the authority. Each member of the authority shall be an elected member of a governing authority of a Georgia municipal corporation and, if such member ceases to be an elected member of a governing authority of a Georgia municipal corporation, such member's seat on the authority shall be declared vacant and the remainder of such member's term filled by majority vote of the remaining members of the authority.

(c) The members shall elect a chairperson, a vice chairperson, and other officers. The members shall not be compensated for their services, but they shall be reimbursed for their actual and necessary expenses as determined by the authority.

(d) A majority of the members of the authority shall constitute a quorum for the transaction of business. The vote of at least a majority of the members present at any meeting at which a quorum is present is necessary for any action to be taken by the

authority. No vacancy in the membership of the authority shall impair the right of a quorum to exercise all rights and perform all duties of the authority.

(e) Meetings of the members of the authority shall be held at the call of the chairperson or whenever any two members so request. The members shall meet at least once each year.

(f) The authority shall be authorized to contract with Georgia Municipal Association, Inc., or its successors or other state-wide organization representing at least 200 municipalities of this state to provide an administrative staff and clerical services and to assist in the management of the routine affairs of the authority, including the originating and processing of any applications from participating local governments for the lease or purchase from the authority of equipment and to service the leases and installment purchase contracts between the authority and the participating local governments. The administrative staff shall include an executive director who shall serve as the ex officio secretary of the authority. The executive director may be an employee of the Georgia Municipal Association, Inc., or its successors or other state-wide organization representing at least 200 of the municipalities of this state.

(g) The executive director shall attend the meetings of the members of the authority, shall keep a record of the proceedings of the authority, and shall maintain all books, documents, and papers filed with the authority, the minutes of the authority, and its official seal. He or she may cause copies to be made of all minutes and other records and documents of the authority and may give certificates under seal of the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates. If the executive director is unable to attend a meeting of the members of the authority, the members of the authority shall designate a member of the authority or an employee of the entity referred to in subsection (f) of this Code section as the person responsible for carrying out the duties of the executive director set out in this Code section.

36-93-5.

The authority is granted all powers necessary to carry out and effectuate its public and corporate purposes, including but not limited to the following powers:

(1) To have perpetual succession as a public body corporate and politic and an independent public instrumentality exercising essential public functions;

(2) To adopt, amend, and repeal bylaws and rules consistent with this article to regulate its affairs; to carry into effect its powers and purposes; and to conduct its business;

(3) To sue and be sued in its own name;

(4) To have an official seal;

(5) To maintain an office in Georgia;

(6) To make and execute contracts and all other instruments necessary or convenient for the performance of its duties and the exercise of its powers and functions under this article;

(7) To employ architects, engineers, independent legal counsel, inspectors, accountants, and financial experts and such other advisers, consultants, and agents as may be necessary in its judgment without the approval or consent of any other public official and to fix their compensation;

(8) To procure insurance against any loss in connection with its property and other assets in such amounts and from such insurers as it considers advisable and to pay premiums on any such insurance;

(9) To procure insurance, guarantees, or other credit enhancement from any public or private entities, including any department, agency, or instrumentality of the United States, to secure payment:

(A) On a lease or installment purchase payment owed by a participating local government to the authority; or

(B) Of any bonds issued by the authority

and to pay premiums on any such insurance, guarantee, or other credit enhancement;

(10) To procure letters of credit or other credit or liquidity facilities or agreements from any national or state banking association or other entity authorized to issue a letter of credit or other credit or liquidity facilities or agreements to secure the payment of any bonds issued by the authority or to secure the payment of any lease or installment purchase payment owed by a participating local government to the authority; and to pay the cost of obtaining such letter of credit or other credit or liquidity facilities or agreements;

(11) To receive and accept from any source any money, property, or thing of value to be held, used, and applied to carry out the purpose of this article, subject to the conditions upon which the grants or contributions are made, including gifts or grants from any department, agency, or instrumentality of the United States or the State of Georgia for any purpose consistent with this article;

(12) To provide, or cause to be provided by a participating local government, by acquisition, lease, fabrication, repair, restoration, reconditioning, refinancing, or installation, equipment to be located within Georgia;

(13) To lease as lessor any item of equipment for such rentals and upon such terms and conditions as the authority considers advisable and which are not in conflict with this article;

(14) To sell by installment or otherwise, to sell by option or contract for sale, and to convey all or any part of any item of equipment for such price and upon such terms and

conditions as the authority considers advisable and which are not in conflict with this article;

(15) To make contracts and incur liabilities, borrow money at such rates of interest as the authority determines, issue its bonds in accordance with this article, and secure any of its bonds or obligations by an assignment or pledge of all or any part of its property, contract rights, and income or as otherwise provided in this article;

(16) To purchase, receive, lease as lessee or lessor, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with equipment, or any interest therein, wherever situated;

(17) To sell, convey, hypothecate, pledge, assign, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets;

(18) To charge to and apportion among participating local governments its administrative costs and expenses incurred in the exercise of the powers and duties conferred by this article;

(19) To collect fees and charges, as the authority determines to be reasonable, in connection with its leases, sales, advances, insurance, commitments, and servicing;

(20) To cooperate with and exchange services, personnel, and information with any federal, state, or local governmental agency;

(21) To sell or assign its rights under its leases, installment purchase contracts, or other contracts or its right to receive payments thereunder, either directly or through trust or custodial arrangements whereby interests are created in such leases, installment purchase contracts, or other contracts, or the payments to be received thereunder through the issuance of trust certificates, certificates of participation, custodial receipts, or other similar instruments;

(22) To exercise any power granted by the laws of this state to public or private corporations which is not in conflict with the public purpose of the authority;

(23) To do all things necessary or convenient to carry out the powers conferred by this article;

(24) To hold funds in deposit accounts with banking institutions as otherwise authorized by law; and

(25) Subject to any agreement with bondholders, to invest moneys of the authority not required for immediate use to carry out the purposes of this chapter, including the proceeds from the sale of any bonds and any moneys held in reserve funds, in the following obligations:

(A) Bonds or obligations of, or other obligations the principal and interest of which are guaranteed by, this state or any county, municipal corporation, political subdivision, or public body corporate and politic of this state;

(B) Bonds or other obligations of the United States or of subsidiary corporations of the United States government fully guaranteed by such government;

(C) Obligations of agencies of the United States government and its subsidiary corporations and instrumentalities and entities sanctioned or authorized by the United States government including, but not limited to, any of the farm credit banks or agricultural credit banks, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association;

(D) Bonds or other obligations issued by any public housing agency or municipality in the United States, which bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipality in the United States and fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(E) Certificates of deposit of national or state banks or federal savings and loan associations located within this state that have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of state building and loan associations located within this state that have deposits insured by any Georgia deposit insurance corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such funds; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation or any Georgia deposit insurance corporation, if any such excess exists, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, with any national or state bank located within this state, or one or more of the securities described in subparagraphs (A), (B), (C), and (D) of this paragraph, in an aggregate principal amount equal at least to the amount of such excess;

(F) Interest-bearing time deposits, repurchase agreements, forward delivery agreements, rate guarantee agreements, or other similar banking arrangements with respect to securities described in subparagraphs (A), (B), (C), and (D) of this paragraph with:

(i) A bank or trust company having capital and surplus aggregating at least \$50 million;

(ii) Any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million; or

239 (iii) Any corporation that is subject to registration with the Board of Governors of the  
240 Federal Reserve System pursuant to the requirements of the federal Bank Holding  
241 Company Act of 1956,  
242 provided that each such interest-bearing time deposit, repurchase agreement, forward  
243 delivery agreement, rate guarantee agreement, or other similar banking arrangement  
244 shall permit the moneys so placed to be available for use at the time provided with  
245 respect to the investment or reinvestment of such moneys; and  
246 (G) State operated investment pools.

247 36-93-6.

248 (a) The authority may initiate one or more programs of providing equipment to be  
249 purchased or leased by participating local governments. In furtherance of this objective,  
250 the authority may also:

251 (1) Establish eligibility standards for participating local governments, provided that such  
252 standards shall encourage maximum feasible participation for participating local  
253 governments;

254 (2) Contract with any entity securing or enhancing the payment of bonds, authorizing the  
255 entity to approve the participating local governments that can lease or purchase  
256 equipment financed with proceeds of bonds secured or enhanced by that entity;

257 (3) Lease to a participating local government specific items of equipment upon terms and  
258 conditions that the authority considers proper, charge and collect rents therefor, and  
259 include in any such lease provisions that the lessee has the option to purchase any or all  
260 of the equipment to which the lease applies;

261 (4) Sell to a participating local government under any installment purchase contract  
262 specific items of equipment upon such terms and conditions as the authority considers  
263 proper;

264 (5) Sell or otherwise dispose of any unneeded or obsolete equipment under terms and  
265 conditions as determined by the authority;

266 (6) Maintain, repair, replace, and otherwise improve or cause to be maintained, repaired,  
267 replaced, and otherwise improved any equipment owned by the authority;

268 (7) Obtain or aid in obtaining property insurance on all equipment owned or financed or  
269 accept payment if any equipment is damaged or destroyed; and

270 (8) Enter into any agreement, contract, or other instrument for any insurance, guarantee,  
271 or letter of credit accepting payment in such manner and form as provided therein if a  
272 participating local government defaults and assign any such insurance, guarantee, or letter  
273 of credit as security for bonds issued by the authority.



(b) Before exercising any of the powers conferred by subsection (a) of this Code section, the authority may:

(1) Require that the lease or installment purchase contract involved be insured by a financial guaranty insurer, be credit enhanced by a credit enhancer, or be secured by a letter of credit; or

(2) Require any other type of security from the participating local government that it considers reasonable and necessary.

36-93-7.

(a) The authority may issue, sell, and deliver its bonds, in accordance with this article, for the purpose of paying for all or any part of the cost of equipment, to finance the acquisition of equipment for lease or sale to participating local governments, and for any other purposes authorized by this article.

(b) The bonds may be issued as serial bonds or as term bonds or a combination of each in one or more series and shall bear such date or dates; mature at such time or times, not exceeding 30 years from their respective dates of issue; bear interest at such fixed or variable rates without regard to any limitations contained in any other statute or laws of this state, bear interest at different rates, and mature at different dates within a series; bear interest at one or more variable or fixed rates within a series, and may be converted from such variable rate or rates to a fixed rate or rates, or may be converted from such fixed rate or rates to a variable rate or rates from time to time; be payable at such time or times; be in such denominations; be in such form, either coupon or fully registered; carry such registration and conversion privileges; have such rank or priority; be payable in lawful money of the United States at such places, within or outside this state; and be subject to such terms of redemption and tender for purchase as such bond resolution may provide.

(c) All revenue bonds issued by the authority shall be subject to validation in accordance with Article 3 of Chapter 82 of this title, known as the 'Revenue Bond Law.' Notes and other types of obligations of the authority shall not be required to be so validated. All proceedings to validate revenue bonds of the authority shall be held in the Superior Court of Fulton County, and judgments of validation obtained in the manner set forth in such chapter shall be forever conclusive upon the validity of such bonds and the security for such bonds as therein provided. The petition and complaint for validation may also make party defendant to such action any participating local government that has contracted with the authority in connection with the issuance of the revenue bonds or regarding the manner in which such bonds are to be secured; and such participating local government may be required to show cause, if any exists, why such contract and the terms and conditions thereof should not be inquired into by the court, the validity of the terms thereof

determined, and the contract adjudicated as a binding obligation of the participating local government for the security of any such bonds of the authority. The revenue bonds when validated and the judgment of validation shall be final and conclusive with respect to such bonds against the authority, any parties to the validation proceedings, or any persons who might properly have become parties to such proceedings. The certificate of validation, however, may be signed with the facsimile or manually executed official signature of the clerk or deputy clerk of the Superior Court of Fulton County.

(d) The authority may sell its bonds in such manner and for such price, at public or private sale, as it may determine to be in the best interest of the authority. Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue interim certificates or receipts or temporary bonds for definitive bonds upon issuance of the latter. The authority may also provide for the replacement of any bonds that shall become mutilated or be stolen, destroyed, or lost.

(e) The bonds shall be signed by the chairperson of the authority or such other person designated by the authority, and the corporate seal of the authority shall be thereunto impressed, imprinted, or otherwise reproduced and attested by the signature of the secretary of the authority or such other person designated by the authority. The coupons, if any, shall be signed in such manner as may be directed by the authority. The signatures of the officers of the authority and the seal of the authority upon any bond issued by the authority may be by facsimile if the instrument is manually authenticated or countersigned by a trustee other than the authority itself or an officer or employee of the authority. All bonds issued under the authority of this article bearing signatures or facsimiles of the signatures of officers of the authority in office on the date of the signing thereof shall be valid and binding, notwithstanding that before the delivery thereof and payment therefor such officers whose signatures appear thereon shall have ceased to be officers of the authority.

(f) The authority may provide for the issuance of bonds of the authority for the purpose of refunding any bonds of the authority then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase, or maturity of such bonds, and, if considered advisable by the authority, for the additional purpose of paying all or any part of the cost of equipment.

(g) The proceeds of any bonds issued for the purpose of refunding outstanding bonds may, in the discretion of the authority, be applied to the purchase or retirement at maturity or redemption of such outstanding bonds either on their earliest or any subsequent redemption date or upon the purchase or at the maturity thereof and may, pending such application, be placed in escrow to be applied to such purchase or retirement at maturity or redemption on such date as may be determined by the authority. Subject to the provisions of any trust

indenture to the contrary, any such escrowed proceeds, pending such use, may be invested and reinvested in such obligations specified in paragraph (25) of Code Section 36-93-5 as are determined by the authority in order to assure the prompt payment of the principal and interest and redemption premium, if any, on the outstanding bonds to be so refunded. The interest, income, and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding bonds to be so refunded. Only after the terms of the escrow have been fully satisfied and carried out shall any balance of such proceeds and interest, income, and profits, if any, earned or realized on the investments thereof be returned to the authority or the participating local governments for use by them in any lawful manner.

(h) The proceeds of the bonds, other than refunding bonds, of each series shall be used for the payment of all or part of the cost of the equipment for which such bonds have been authorized and, at the option of the authority, for the deposit to a reserve fund or reserve funds for the bonds; however, the authority may be paid, out of proceeds of the sale and delivery of its bonds issued in accordance with this article, all of the authority's out-of-pocket expenses and costs in connection with the issuance, sale, and delivery of such bonds and the costs of obtaining insurance, guarantees, other credit enhancement, and letters of credit securing payment of the bonds and the lease and the installment purchase payments, plus an amount equal to the compensation paid to any employees or agents of the authority for the time those employees or agents have spent on activities relating to the issuance, sale, and delivery of the bonds. Bond proceeds shall be disbursed in the manner and under the restrictions determined by the authority.

36-93-8.

(a) The bonds may be secured by a trust indenture by and between the authority and a corporate trustee, which may be any bank having the power of a trust company, or any trust company. The trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the holders of the bonds as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the exercise of its powers and the custody, investing, safekeeping, and application of all money. The authority may provide by the trust indenture for the payment of the proceeds of the bonds and any lease or installment purchase payments to the trustee under the trust indenture or other depository and for the method of disbursement thereof with such safeguards and restrictions as the authority may determine. All expenses incurred in carrying out the trust indenture may be treated as a part of the operating expenses of the authority.

(b)(1) Any bond resolution or related trust indenture may contain the following provisions, which must be a part of the contract with the holders of the bonds to be authorized:

(A) Pledging or assigning the lease or installment purchase payments made for the equipment or pledging or assigning the contract rights under the leases or installment purchase contracts with the participating local governments whose equipment has been financed with the proceeds of such bonds or other specified revenues or property of the authority;

(B) The rentals, installment purchase payments, fees, and other amounts to be charged by the authority, the schedule of payments, the sums to be raised in each year thereby, and the use, investment, and disposition of such sums;

(C) Setting aside any reserves or sinking funds and the regulation, investment, and disposition thereof;

(D) Limitation on the use of the equipment;

(E) Limitations on the purpose for which or the investments in which the proceeds of sale of any series of bonds then or thereafter may be applied;

(F) Limitations on the issuance of additional bonds, terms upon which additional bonds may be issued and secured, and the terms upon which additional bonds may rank on a parity with, or be subordinate or superior to, other bonds;

(G) The refunding of outstanding bonds;

(H) The procedure, if any, by which the terms of any contract with holders of the bonds may be amended or abrogated, the amounts of bonds the holders of which must consent thereto, the manner in which such consent may be given, and restrictions on the individual rights of action by holders of the bonds;

(I) Acts or omissions that constitute a default in the duties of the authority to holders of its bonds and providing the rights and remedies of such holders in the event of default; and

(J) Any other matters relating to the bonds that the authority considers desirable.

(2) Bonds of the authority may also be secured by and payable from a pooling of leases or of installment purchase contracts whereby the authority may assign its rights, as lessor, and pledge rents under two or more leases of equipment with two or more participating local governments, as lessees, or assign its rights as seller and pledge the installment purchase payments under two or more installment purchase contracts of equipment with two or more participating local governments, as purchasers, upon such terms as may be provided for in bond resolutions, trust indentures, or other instruments under which such bonds are issued.

(c) Every series of bonds is payable solely out of revenues, assets, or money of the authority as the authority determines, subject only to any agreements with the holders of particular bonds pledging any particular money or revenue. The bonds may be additionally secured by a pledge of any grant, contribution, or guarantee from the federal government or any corporation, association, institution, or person or a pledge of any money, income, or revenue of the authority from any source.

36-93-9.

Neither the members of the authority nor any person executing bonds on behalf of the authority shall be personally liable thereon by reason of the issuance thereof.

36-93-10.

Bonds issued under this article shall not be deemed to constitute a debt or pledge of the faith and credit of this state or any political subdivision or municipal corporation thereof within the meaning of any provision of the Constitution or laws of this state. Bonds issued by the authority shall not directly, indirectly, or contingently obligate this state or any of its political subdivisions or municipal corporations to levy or to pledge any form of taxation whatever for those bonds or to make any appropriation for the payment thereof; and all such bonds or other obligations of the authority shall contain recitals on their face covering substantially the foregoing provisions of this Code section.

36-93-11.

The creation of the authority and the carrying out of its corporate purposes is in all respects for the benefit of the people of this state and is a public purpose, and the authority will be performing an essential governmental function in the exercise of the power conferred upon it by this article; the state covenants with the holders of the bonds and any interest coupons appertaining thereto that the authority shall be required to pay no taxes or assessments imposed by the state or any of its counties, municipal corporations, political subdivisions, or taxing districts upon any of the property acquired or leased or sold by it or under its jurisdiction, control, possession, or supervision or upon its activities in the operation or maintenance of the equipment acquired by it or upon any fees, rentals, charges, or purchase price, received in installments or otherwise, pertaining to such equipment or upon other income received by the authority; that the bonds of the authority, their transfer, and the interest and income therefrom shall at all times be exempt from taxation within this state; and that the recording of any indenture or security agreement by the authority shall be exempt from recording taxes and fees and from intangibles tax. The tax exemption provided in this Code section shall not include any exemption from sales or use tax on

property purchased by the authority or for use by the authority, except that the authority shall be entitled to such exemption with respect to property as is available to the participating local government pursuant to Article 1 of Chapter 8 of Title 48.

36-93-12.

While any of the bonds issued by the authority remain outstanding, the powers, duties, or existence of the authority or of any of its officers shall not be diminished or impaired in any manner that will affect adversely the interest and right of the holders of such bonds. This article shall be for the benefit of the holders of any such bonds and, upon the issuance of the bonds as provided in this chapter, such provisions shall constitute a contract with the holders of such bonds. The provisions of any bond resolution, indenture, or trust agreement shall be a contract with every holder of such bonds, and the duties of the authority under any such bond resolution, indenture, or trust agreement shall be enforceable by any bondholder by mandamus or other appropriate action or proceeding at law or in equity.

36-93-13.

All moneys received by the authority pursuant to this article, whether as grants or other contributions or as revenues, rents, installment purchase payments, and earnings, shall be held in trust and applied solely as provided for in this article.

36-93-14.

The authority may hold title to any equipment financed by it but shall not be required to do so.

36-93-15.

The authority's legal situs or residence for the purpose of this article shall be Fulton County. Any action to protect or enforce any rights under this article, including the validation of revenue bonds issued by the authority as permitted in this article, shall be brought in the Superior Court of Fulton County, and such court shall have exclusive original jurisdiction of all such actions.

36-93-16.

Nothing in this article may be construed as a restriction or limitation upon any powers that the authority might otherwise have under any other law of this state, and this article is cumulative to such powers. This article shall be construed to provide a complete, additional, and alternative method for the doing of the things authorized and shall be

construed as supplemental to powers conferred by any other laws. The adoption by the authority of bylaws and rules and the issuance of bonds by the authority under this article need not comply with the requirements of any other state laws applicable to the adoption of bylaws and rules and the issuance of bonds, notes, and other obligations. No proceedings, notice, or approval is required for the issuance of any bonds or any instrument or the security therefor or for the proper conduct of the authority's business, affairs, or operations, except as provided in this article.

36-93-17.

This article, being for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

## ARTICLE 2

36-93-30.

This article shall be known and may be cited as the 'County Government Equipment Financing Authority Act.'

36-93-31.

The purpose of this article shall be to provide a mechanism through which participating county governments may lease or purchase on an installment basis equipment at lower than prevailing costs and to make this mechanism available to the largest number of participating county governments feasible.

36-93-32.

As used in this article, the term:

(1) 'Authority' means the County Equipment Financing Authority created by this article and any successor or successors thereto. Any change in name or composition of the authority shall in no way affect the vested rights of any person under this article.

(2) 'Bond' or 'bonds' means revenue bonds, notes, interim certificates, bond anticipation notes, and other evidences of indebtedness of the authority issued under this article.

(3) 'Cost' as applied to equipment financed under this article includes:

(A) The cost and the incidental and related costs of the acquisition, repair, restoration, reconditioning, refinancing, or installation of equipment;

(B) The cost of any property interest in equipment, including an option to purchase a leasehold interest;

(C) The cost of architectural, engineering, legal, trustee, underwriting, and related services; the cost of the preparation of plans, specifications, studies, surveys, and

estimates of cost; and all other expenses necessary or incident to planning, providing, or determining the need for or the feasibility and practicability of equipment;

(D) The cost of financing charges, including premiums or prepayment penalties and interest, accrued before the acquisition and installation or refinancing of such equipment and for up to three years after such acquisition and installation or refinancing;

(E) The costs paid or incurred in connection with the financing of equipment, including out-of-pocket expenses, the cost of any policy of insurance or other credit enhancement, the cost of printing, engraving, and reproduction services, and the cost of the initial or acceptance fee of any trustee or paying agent;

(F) The costs of the authority incurred in connection with providing equipment, including reasonable sums to reimburse the authority for time spent by its agents or employees in providing and financing equipment; and

(G) The costs paid or incurred for the administration of any program for the financing or refinancing of equipment by the authority and any program for the installment sale or lease of equipment to any participating county government.

(4) 'Equipment' means any fixture or personal property that is determined by the authority to be necessary or desirable for the efficient operation of any participating county government, regardless of whether such property is in existence at the time of, or is to be provided after the making of, such finding.

(5) 'Participating county government' means a county, consolidated government, school district, or other political subdivision that contracts under this article with the authority for the installment purchase or lease of equipment.

36-93-33.

(a) There is created, with such duties and powers as are set forth in this article, a public body corporate and politic, not a state agency but an instrumentality of purely public charity performing an essential governmental function, to be known as the County Government Equipment Financing Authority. The authority shall be exempt from the provisions of Article 2 of Chapter 17 of Title 50 and Code Sections 45-15-13 through 45-15-16.

(b) The authority shall be governed by an initial board of directors who shall be the same persons who are the county elected officials serving as members of the governing board of a Georgia nonprofit instrumentality of county governments whose income is exempt from federal income tax pursuant to Section 115 of the Internal Revenue Code of 1986. The initial board of directors shall adopt bylaws setting forth procedures governing the internal operations of the authority. The bylaws may provide for a successor board of directors



553 composed of five to nine members elected on a staggered basis to terms of four years  
554 except that the initial appointments may be for a shorter term in order to stagger the terms.  
555 The initial board of directors shall govern the authority until a successor board of directors  
556 is appointed in accordance with the bylaws of the authority. Each member of the board of  
557 directors shall be an elected member of a Georgia county governing authority and, if such  
558 member ceases to be an elected member of a Georgia county governing authority, such  
559 member's seat on the board shall be declared vacant and the remainder of any term filled  
560 as provided in the bylaws of the authority.

561 (c) The members shall elect a chairperson, a vice chairperson, and other officers. The  
562 members shall not be compensated for their services, but they shall be reimbursed for their  
563 actual and necessary expenses as determined by the authority.

564 (d) A majority of the members of the authority shall constitute a quorum for the  
565 transaction of business. The vote of at least a majority of the members present at any  
566 meeting at which a quorum is present is necessary for any action to be taken by the  
567 authority. No vacancy in the membership of the authority shall impair the right of a  
568 quorum to exercise all rights and perform all duties of the authority.

569 (e) Meetings of the members of the authority shall be held at the call of the chairperson or  
570 whenever any two members so request. The members shall meet at least once each year.

571 (f) The authority shall be authorized to contract with the Association County  
572 Commissioners of Georgia, Inc., or its successors or other state-wide organization  
573 representing counties of this state to provide an administrative staff and clerical services  
574 and to assist in the management of the routine affairs of the authority, including the  
575 originating and processing of any applications from participating county governments for  
576 the lease or purchase from the authority of equipment and to service the leases and  
577 installment purchase contracts between the authority and the participating county  
578 governments. The administrative staff shall include an executive director who shall serve  
579 as the ex officio secretary of the authority. The executive director may be an employee of  
580 the Association County Commissioners of Georgia, Inc., or its successors or other  
581 state-wide organization representing counties of this state.

582 (g) The executive director shall attend the meetings of the members of the authority, shall  
583 keep a record of the proceedings of the authority, and shall maintain all books, documents,  
584 and papers filed with the authority, the minutes of the authority, and its official seal. The  
585 executive director may cause copies to be made of all minutes and other records and  
586 documents of the authority and may give certificates under seal of the authority to the  
587 effect that such copies are true copies, and all persons dealing with the authority may rely  
588 upon such certificates. If the executive director is unable to attend a meeting of the  
589 members of the authority, the members of the authority shall designate a member of the

authority or an employee of the entity referred to in subsection (f) of this Code section as the person responsible for carrying out the duties of the executive director set out in this Code section.

36-93-34.

The authority is granted all powers necessary to carry out and effectuate its public and corporate purposes, including but not limited to the following powers:

(1) To have perpetual succession as a public body corporate and politic and an independent public instrumentality exercising essential public functions;

(2) To adopt, amend, and repeal bylaws and rules consistent with this article to regulate its affairs; to carry into effect its powers and purposes; and to conduct its business;

(3) To sue and be sued in its own name;

(4) To have an official seal;

(5) To maintain an office in Georgia;

(6) To make and execute contracts and all other instruments necessary or convenient for the performance of its duties and the exercise of its powers and functions under this article;

(7) To employ architects, engineers, independent legal counsel, inspectors, accountants, and financial experts and such other advisers, consultants, and agents as may be necessary in its judgment without the approval or consent of any other public official and to fix their compensation;

(8) To procure insurance against any loss in connection with its property and other assets in such amounts and from such insurers as it considers advisable and to pay premiums on any such insurance;

(9) To procure insurance, guarantees, or other credit enhancement from any public or private entities, including any department, agency, or instrumentality of the United States, to secure payment;

(A) On a lease or installment purchase payment owed by a participating county government to the authority; or

(B) Of any bonds issued by the authority

and to pay premiums on any such insurance, guarantee, or other credit enhancement;

(10) To procure letters of credit or other credit or liquidity facilities or agreements from any national or state banking association or other entity authorized to issue a letter of credit or other credit or liquidity facilities or agreements to secure the payment of any bonds issued by the authority or to secure the payment of any lease or installment purchase payment owed by a participating county government to the authority; and to pay

625 the cost of obtaining such letter of credit or other credit or liquidity facilities or  
626 agreements;

627 (11) To receive and accept from any source any money, property, or thing of value to  
628 be held, used, and applied to carry out the purpose of this article, subject to the conditions  
629 upon which the grants or contributions are made, including gifts or grants from any  
630 department, agency, or instrumentality of the United States or the State of Georgia for  
631 any purpose consistent with this article;

632 (12) To provide, or cause to be provided by a participating county government, by  
633 acquisition, lease, fabrication, repair, restoration, reconditioning, refinancing, or  
634 installation, equipment to be located within Georgia;

635 (13) To lease as lessor any item of equipment for such rentals and upon such terms and  
636 conditions as the authority considers advisable and which are not in conflict with this  
637 article;

638 (14) To sell by installment or otherwise, to sell by option or contract for sale, and to  
639 convey all or any part of any item of equipment for such price and upon such terms and  
640 conditions as the authority considers advisable and which are not in conflict with this  
641 article;

642 (15) To make contracts and incur liabilities, borrow money at such rates of interest as the  
643 authority determines, issue its bonds in accordance with this article, and secure any of its  
644 bonds or obligations by an assignment or pledge of all or any part of its property, contract  
645 rights, and income or as otherwise provided in this article;

646 (16) To purchase, receive, lease as lessee or lessor, or otherwise acquire, own, hold,  
647 improve, use, or otherwise deal in and with equipment, or any interest therein, wherever  
648 situated;

649 (17) To sell, convey, hypothecate, pledge, assign, lease, exchange, transfer, and  
650 otherwise dispose of all or any part of its property and assets;

651 (18) To charge to and apportion among participating county governments its  
652 administrative costs and expenses incurred in the exercise of the powers and duties  
653 conferred by this article;

654 (19) To collect fees and charges, as the authority determines to be reasonable, in  
655 connection with its leases, sales, advances, insurance, commitments, and servicing;

656 (20) To cooperate with and exchange services, personnel, and information with any  
657 federal, state, or local governmental agency;

658 (21) To sell or assign its rights under its leases, installment purchase contracts, or other  
659 contracts or its right to receive payments thereunder, either directly or through trust or  
660 custodial arrangements whereby interests are created in such leases, installment purchase  
661 contracts, or other contracts, or the payments to be received thereunder through the

issuance of trust certificates, certificates of participation, custodial receipts, or other similar instruments;

(22) To exercise any power granted by the laws of this state to public or private corporations which is not in conflict with the public purpose of the authority;

(23) To do all things necessary or convenient to carry out the powers conferred by this article;

(24) To hold funds in deposit accounts with banking institutions as otherwise authorized by law; and

(25) Subject to any agreement with bondholders, to invest moneys of the authority not required for immediate use to carry out the purposes of this article, including the proceeds from the sale of any bonds and any moneys held in reserve funds, in the following obligations:

(A) Bonds or obligations of, or other obligations the principal and interest of which are guaranteed by, this state or any county, municipal corporation, political subdivision, or public body corporate and politic of this state;

(B) Bonds or other obligations of the United States or of subsidiary corporations of the United States government fully guaranteed by such government;

(C) Obligations of agencies of the United States government and its subsidiary corporations and instrumentalities and entities sanctioned or authorized by the United States government including, but not limited to, any of the farm credit banks or agricultural credit banks, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association;

(D) Bonds or other obligations issued by any public housing agency or municipality in the United States, which bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipality in the United States and fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(E) Certificates of deposit of national or state banks or federal savings and loan associations located within this state that have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of state building and loan associations located within this state that have deposits insured by any Georgia deposit insurance corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such funds; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation or any

Georgia deposit insurance corporation, if any such excess exists, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, with any national or state bank located within this state, or one or more of the securities described in subparagraphs (A), (B), (C), and (D) of this paragraph, in an aggregate principal amount equal at least to the amount of such excess;

(F) Interest-bearing time deposits, repurchase agreements, forward delivery agreements, rate guarantee agreements, or other similar banking arrangements with respect to securities described in subparagraphs (A), (B), (C), and (D) of this paragraph with:

(i) A bank or trust company having capital and surplus aggregating at least \$50 million;

(ii) Any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million; or

(iii) Any corporation that is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the federal Bank Holding Company Act of 1956,

provided that each such interest-bearing deposit, repurchase agreement, forward delivery agreement, rate guarantee agreement, or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys; and

(G) State operated investment pools.

36-93-35.

(a) The authority may initiate one or more programs of providing equipment to be purchased or leased by participating county governments. In furtherance of this objective, the authority may also:

(1) Establish eligibility standards for participating county governments, provided that such standards shall encourage maximum feasible participation for participating county governments;

(2) Contract with any entity securing or enhancing the payment of bonds, authorizing the entity to approve the participating county governments that can lease or purchase equipment financed with proceeds of bonds secured or enhanced by that entity;

(3) Lease to a participating county government specific items of equipment upon terms and conditions that the authority considers proper, charge and collect rents therefor, and include in any such lease provisions that the lessee has the option to purchase any or all of the equipment to which the lease applies;

(4) Sell to a participating county government under any installment purchase contract specific items of equipment upon such terms and conditions as the authority considers proper;

(5) Sell or otherwise dispose of any unneeded or obsolete equipment under terms and conditions as determined by the authority;

(6) Maintain, repair, replace, and otherwise improve or cause to be maintained, repaired, replaced, and otherwise improved any equipment owned by the authority;

(7) Obtain or aid in obtaining property insurance on all equipment owned or financed or accept payment if any equipment is damaged or destroyed; and

(8) Enter into any agreement, contract, or other instrument for any insurance, guarantee, or letter of credit accepting payment in such manner and form as provided therein if a participating county government defaults and assign any such insurance, guarantee, or letter of credit as security for bonds issued by the authority.

(b) Before exercising any of the powers conferred by subsection (a) of this Code section, the authority may:

(1) Require that the lease or installment purchase contract involved be insured by a financial guaranty insurer, be credit enhanced by a credit enhancer, or be secured by a letter of credit; or

(2) Require any other type of security from the participating county government that it considers reasonable and necessary.

36-93-36.

(a) The authority may issue, sell, and deliver its bonds, in accordance with this article, for the purpose of paying for all or any part of the cost of equipment, to finance the acquisition of equipment for lease or sale to participating county governments, and for any other purposes authorized by this article.

(b) The bonds may be issued as serial bonds or as term bonds or a combination of each in one or more series and shall bear such date or dates; mature at such time or times, not exceeding 30 years from their respective dates of issue; bear interest at such fixed or variable rates without regard to any limitations contained in any other statute or laws of this state, bear interest at different rates, and mature at different dates within a series; bear interest at one or more variable or fixed rates within a series, and may be converted from such variable rate or rates to a fixed rate or rates, or may be converted from such fixed rate or rates to a variable rate or rates from time to time; be payable at such time or times; be in such denominations; be in such form, either coupon or fully registered; carry such registration and conversion privileges; have such rank or priority; be payable in lawful

money of the United States at such places, within or outside this state; and be subject to such terms of redemption and tender for purchase as such bond resolution may provide.

(c) All revenue bonds issued by the authority shall be subject to validation in accordance with Article 3 of Chapter 82 of this title, known as the 'Revenue Bond Law.' Notes and other types of obligations of the authority shall not be required to be so validated. All proceedings to validate revenue bonds of the authority shall be held in the Superior Court of Fulton County, and judgments of validation obtained in the manner set forth in such chapter shall be forever conclusive upon the validity of such bonds and the security for such bonds as therein provided. The petition and complaint for validation may also make party defendant to such action any participating county government that has contracted with the authority in connection with the issuance of the revenue bonds or regarding the manner in which such bonds are to be secured; and such participating county government shall be required to show cause, if any exists, why such contract and the terms and conditions thereof should not be inquired into by the court, the validity of the terms thereof determined, and the contract adjudicated as a binding obligation of the participating county government for the security of any such bonds of the authority. The revenue bonds when validated and the judgment of validation shall be final and conclusive with respect to such bonds against the authority, any parties to the validation proceedings, or any persons who might properly have become parties to such proceedings. The certificate of validation, however, may be signed with the facsimile or manually executed official signature of the clerk or deputy clerk of the Superior Court of Fulton County.

(d) The authority may sell its bonds in such manner and for such price, at public or private sale, as it may determine to be in the best interest of the authority. Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue interim certificates or receipts or temporary bonds for definitive bonds upon issuance of the latter. The authority may also provide for the replacement of any bonds that shall become mutilated or be stolen, destroyed, or lost.

(e) The bonds shall be signed by the chairperson of the authority or by such other person designated by the authority, and the corporate seal of the authority shall be thereunto impressed, imprinted, or otherwise reproduced and attested by the signature of the secretary of the authority or by such other person designated by the authority. The coupons, if any, shall be signed in such manner as may be directed by the authority. The signatures of the officers of the authority and the seal of the authority upon any bond issued by the authority may be by facsimile if the instrument is manually authenticated or countersigned by a trustee other than the authority itself or an officer or employee of the authority. All bonds issued under the authority of this article bearing signatures or facsimiles of the signatures of officers of the authority in office on the date of the signing thereof shall be valid and

binding, notwithstanding that before the delivery thereof and payment therefor such officers whose signatures appear thereon shall have ceased to be officers of the authority.

(f) The authority may provide for the issuance of bonds of the authority for the purpose of refunding any bonds of the authority then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase, or maturity of such bonds, and, if considered advisable by the authority, for the additional purpose of paying all or any part of the cost of equipment.

(g) The proceeds of any bonds issued for the purpose of refunding outstanding bonds may, in the discretion of the authority, be applied to the purchase or retirement at maturity or redemption of such outstanding bonds either on their earliest or any subsequent redemption date or upon the purchase or at the maturity thereof and may, pending such application, be placed in escrow to be applied to such purchase or retirement at maturity or redemption on such date as may be determined by the authority. Subject to the provisions of any trust indenture to the contrary, any such escrowed proceeds, pending such use, may be invested and reinvested in such obligations specified in paragraph (25) of Code Section 36-93-34 as are determined by the authority in order to assure the prompt payment of the principal and interest and redemption premium, if any, on the outstanding bonds to be so refunded. The interest, income, and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding bonds to be so refunded. Only after the terms of the escrow have been fully satisfied and carried out shall any balance of such proceeds and interest, income, and profits, if any, earned or realized on the investments thereof be returned to the authority or the participating county governments for use by them in any lawful manner.

(h) The proceeds of the bonds, other than refunding bonds, of each series shall be used for the payment of all or part of the cost of the equipment for which such bonds have been authorized and, at the option of the authority, for the deposit to a reserve fund or reserve funds for the bonds; however, the authority may be paid, out of proceeds of the sale and delivery of its bonds issued in accordance with this article, all of the authority's out-of-pocket expenses and costs in connection with the issuance, sale, and delivery of such bonds and the costs of obtaining insurance, guarantees, other credit enhancement, and letters of credit securing payment of the bonds and the lease and the installment purchase payments, plus an amount equal to the compensation paid to any employees or agents of the authority for the time those employees or agents have spent on activities relating to the issuance, sale, and delivery of the bonds. Bond proceeds shall be disbursed in the manner and under the restrictions determined by the authority.



36-93-37.

(a) The bonds may be secured by a trust indenture by and between the authority and a corporate trustee, which may be any bank having the power of a trust company, or any trust company. The trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the holders of the bonds as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the exercise of its powers and the custody, investing, safekeeping, and application of all money. The authority may provide by the trust indenture for the payment of the proceeds of the bonds and any lease or installment purchase payments to the trustee under the trust indenture or other depository and for the method of disbursement thereof with such safeguards and restrictions as the authority may determine. All expenses incurred in carrying out the trust indenture may be treated as a part of the operating expenses of the authority.

(b)(1) Any bond resolution or related trust indenture may contain the following provisions, which must be a part of the contract with the holders of the bonds to be authorized:

(A) Pledging or assigning the lease or installment purchase payments made for the equipment or pledging or assigning the contract rights under the leases or installment purchase contracts with the participating county governments whose equipment has been financed with the proceeds of such bonds or other specified revenues or property of the authority;

(B) The rentals, installment purchase payments, fees, and other amounts to be charged by the authority, the schedule of payments, the sums to be raised in each year thereby, and the use, investment, and disposition of such sums;

(C) Setting aside any reserves or sinking funds and the regulation, investment, and disposition thereof;

(D) Limitation on the use of the equipment;

(E) Limitations on the purpose for which or the investments in which the proceeds of sale of any series of bonds then or thereafter may be applied;

(F) Limitations on the issuance of additional bonds, terms upon which additional bonds may be issued and secured, and the terms upon which additional bonds may rank on a parity with, or be subordinate or superior to, other bonds;

(G) The refunding of outstanding bonds;

(H) The procedure, if any, by which the terms of any contract with holders of the bonds may be amended or abrogated, the amounts of bonds the holders of which must consent thereto, the manner in which such consent may be given, and restrictions on the individual rights of action by holders of the bonds;

(I) Acts or omissions that constitute a default in the duties of the authority to holders of its bonds and providing the rights and remedies of such holders in the event of default; and

(J) Any other matters relating to the bonds that the authority considers desirable.

(2) Bonds of the authority may also be secured by and payable from a pooling of leases or of installment purchase contracts whereby the authority may assign its rights, as lessor, and pledge rents under two or more leases of equipment with two or more participating county governments, as lessees, or assign its rights as seller and pledge the installment purchase payments under two or more installment purchase contracts of equipment with two or more participating county governments, as purchasers, upon such terms as may be provided for in bond resolutions, trust indentures, or other instruments under which such bonds are issued.

(c) Every series of bonds is payable solely out of revenues, assets, or money of the authority as the authority determines, subject only to any agreements with the holders of particular bonds pledging any particular money or revenue. The bonds may be additionally secured by a pledge of any grant, contribution, or guarantee from the federal government or any corporation, association, institution, or person or a pledge of any money, income, or revenue of the authority from any source.

36-93-38.

Neither the members of the authority nor any person executing bonds on behalf of the authority shall be personally liable thereon by reason of the issuance thereof.

36-93-39.

Bonds issued under this article shall not be deemed to constitute a debt or pledge of the faith and credit of this state or any political subdivision thereof within the meaning of any provision of the Constitution or laws of this state. Bonds issued by the authority shall not directly, indirectly, or contingently obligate this state or any of its political subdivisions to levy or to pledge any form of taxation whatever for those bonds or to make any appropriation for the payment thereof; and all such bonds or other obligations of the authority shall contain recitals on their face covering substantially the foregoing provisions of this Code section.

36-93-40.

The creation of the authority and the carrying out of its corporate purposes is in all respects for the benefit of the people of this state and is a public purpose, and the authority will be performing an essential governmental function in the exercise of the power conferred upon

it by this article; the state covenants with the holders of the bonds and any interest coupons appertaining thereto that the authority shall be required to pay no taxes or assessments imposed by the state or any of its counties, municipal corporations, political subdivisions, or taxing districts upon any of the property acquired or leased or sold by it or under its jurisdiction, control, possession, or supervision or upon its activities in the operation or maintenance of the equipment acquired by it or upon any fees, rentals, charges, or purchase price, received in installments or otherwise, pertaining to such equipment or upon other income received by the authority; that the bonds of the authority, their transfer, and the interest and income therefrom shall at all times be exempt from taxation within this state; and that the recording of any indenture or security agreement by the authority shall be exempt from recording taxes and fees and from intangibles tax. The tax exemption provided in this Code section shall not include any exemption from sales or use tax on property purchased by the authority or for use by the authority, except that the authority shall be entitled to such exemption on property as is available to the participating county government pursuant to Article 1 of Chapter 8 of Title 48.

36-93-41.

While any of the bonds issued by the authority remain outstanding, the powers, duties, or existence of the authority or of any of its officers shall not be diminished or impaired in any manner that will affect adversely the interest and right of the holders of such bonds. This article shall be for the benefit of the holders of any such bonds and, upon the issuance of the bonds as provided in this article, such provisions shall constitute a contract with the holders of such bonds. The provisions of any bond resolution, indenture, or trust agreement shall be a contract with every holder of such bonds, and the duties of the authority under any such bond resolution, indenture, or trust agreement shall be enforceable by any bondholder by mandamus or other appropriate action or proceeding at law or in equity.

36-93-42.

All moneys received by the authority pursuant to this article, whether as grants or other contributions or as revenues, rents, installment purchase payments, and earnings, shall be held in trust and applied solely as provided for in this article.

36-93-43.

The authority may hold title to any equipment financed by it but shall not be required to do so.

947 36-93-44.

948 The authority's legal situs or residence for the purpose of this article shall be Fulton  
949 County. Any action to protect or enforce any rights under this article, including the  
950 validation of revenue bonds issued by the authority as permitted in this article, shall be  
951 brought in the Superior Court of Fulton County, and such court shall have exclusive  
952 original jurisdiction of all such actions.

953 36-93-45.

954 Nothing in this article may be construed as a restriction or limitation upon any powers that  
955 the authority might otherwise have under any other law of this state, and this article is  
956 cumulative to such powers. This article shall be construed to provide a complete,  
957 additional, and alternative method for the doing of the things authorized and shall be  
958 construed as supplemental to powers conferred by any other laws. The adoption by the  
959 authority of bylaws and rules and the issuance of bonds by the authority under this article  
960 need not comply with the requirements of any other state laws applicable to the adoption  
961 of bylaws and rules and the issuance of bonds, notes, and other obligations. No  
962 proceedings, notice, or approval is required for the issuance of any bonds or any instrument  
963 or the security therefor or for the proper conduct of the authority's business, affairs, or  
964 operations, except as provided in this article.

965 36-93-46.

966 This article, being for the welfare of this state and its inhabitants, shall be liberally  
967 construed to effect its purposes."

968 **SECTION 2.**

969 Said title is further amended in paragraph (6) of Code Section 36-82-250, relating to  
970 definitions regarding qualified interest rate management agreements, as follows:

971 "(6) 'Local governmental entity' means:

972 (A) Any ~~any~~ governmental body as defined in paragraph (2) of Code Section 36-82-61,  
973 as amended; provided, however, that such term shall only include authorities which are  
974 local public authorities included in the definition thereof set forth in subparagraphs (C)  
975 and (D) of paragraph (2) of Code Section 36-82-61, as amended;

976 (B) The Local Government Equipment Financing Authority created by Article 1 of  
977 Chapter 93 of this title; and

978 (C) The County Government Equipment Financing Authority created by Article 2 of  
979 Chapter 93 of this title."

980 **SECTION 3.**

981 This Act shall become effective upon its approval by the Governor or upon its becoming law  
982 without such approval.

983 **SECTION 4.**

984 All laws and parts of laws in conflict with this Act are repealed.